

STATE OF CALIFORNIA Labor & Workforce Development Agency

GOVERNOR Gavin Newsom • SECRETARY Julie A. Su

Agricultural Labor Relations Board • California Unemployment Insurance Appeals Board California Workforce Investment Board • Department of Industrial Relations Employment Development Department • Employment Training Panel

April 14, 2020

Californians,

I write to update you on a number of programs. During this time of great economic, physical, and emotional stress, I know that the programs we administer—unemployment insurance and other temporary benefits—are a critical lifeline.

You have likely already heard both the Governor and I say that we are doing everything in our power to keep unemployment insurance (UI) claims paid under the same three week timeline from filing to first payment. We have redirected hundreds of staff within the Employment Development Department (EDD) to focus on UI, are training an additional 300 staff from across California state government to increase capacity, and are expanding our call center hours. Our goal is to have a seven day a week call center. Already, our EDD team is working every day of the week with shifts starting at 6 a.m. and ending at 8 p.m. to handle the unprecedented number of claims. We have worked with our partner Bank of America, which has increased its ability to send out debit cards that are used to pay UI by over four-fold so there is no slow-down in our ability to handle UI claims. Despite reports about our system crashing, I want you to know that this is not true and we are closely monitoring it at all times to prevent any disruption in our ability to serve unemployed workers. In addition, Californians eligible for certification on April 12 began to see the \$600/week additional payments provided for under the federal CARES Act today.

The CARES Act also created a special program for this crisis called Pandemic Unemployment Assistance, or PUA. PUA provides federally funded benefits distinct from the UI program for certain individuals out of work or partially unemployed due to the COVID-19 crisis, including the self-employed, individuals who lack sufficient work history, and independent contractors. Federal guidelines on how to administer PUA came out on April 5 and include gig workers as an example of those eligible for PUA.

Every day since then, we have been working on making sure that we get Californians what they are entitled to under PUA, that we do it in a way that is reliable, that we clarify the options available to gig workers, and that we don't set up applications that sit in a queue while we do not yet have the systems built to deliver the money. So, here is our plan to deliver the money to those eligible for PUA:

There will be a one-stop shop for applying for UI and PUA. Individuals will be able to go to UI Online to self-certify that they meet the COVID-19-related criteria for PUA. We will make clear in the self-certification that certification of eligibility for PUA does not affect determinations of employee status under state law for other protections and benefits.

Under PUA, individuals can receive weekly unemployment assistance that may be equivalent to what individuals would get under UI (depending on their earnings and whether earnings can be verified). Those who get PUA also get the \$600/per week additional payment added to UI for weeks they are unemployed from March 29 until the end of July. PUA benefits can cover people unemployed or partially unemployed due to COVID-19 from January 27, 2020 through December 31, 2020 depending on date of actual impact. In other words, it is retroactive to the time before the federal stimulus bill was passed and before funding was made available. The retroactivity means more money in people's pockets and we are anxious to get that out. When you apply and your application is approved, you will get PUA benefits going back to the first full week of February as long as you can show that your inability to work was COVID-19 related.

This new system will be able to pay individuals within 24 to 48 hours of their application. We need two weeks to create this new technology -- set up the system, test it and be able to turn payments around. To be clear, these payments will not take the 3 weeks from application to payment that UI has taken unless the claims do not include all of the information needed; we are working to make it much faster. Once I know the exact date that this one-stop shop is ready, I will let you know.

As we get through this pandemic together, please know that my team and I are working every single day on behalf of Californians. It doesn't feel like enough, given the enormity of the challenges and the deep pain that people are feeling, but we are giving it everything we have. My promise to you is that we will continue to do so until every Californian who has lost a job, lost a business, or lost income gets the benefits they are entitled to.

Julie A. Su

California Labor Secretary

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